



OFFICE OF THE COMPTROLLER OF THE DEPARTMENT OF DEFENSE

WASHINGTON, DC 20301-1100

(Information Resources
Management)

SEP 21 1990

Dane
MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF DEFENSE
(LOGISTICS), OASD (P&L)

SUBJECT: Corporate Information Management

Last month you proposed a revision to the process of interim standard information systems. You made the convincing case that the Materiel Management Board should make the recommendations for executive agents and interim standard information systems rather than the Materiel Management Functional Group. Later, a need for assistance from the Materiel Management Functional Group was expressed and I agreed that the Materiel Management Functional Group could provide assistance. In my memorandum of August 27, 1990 (copy attached) I requested that we work together regarding that assistance. I recognize that such assistance will impact the work of the Materiel Management Functional Group and yet I am willing to assist you and your Materiel Management Board in the interim standard information systems process.

The issue of duplication between the Corporate Information Management (CIM) process and the Inventory Reduction Plan (IRP) remains to be resolved. Based on our conversation on Wednesday, I have attempted a draft position paper on options (draft attached). A key part of the paper will be the portion you are preparing on the identification of steps in the CIM process that are also steps of the IRP. Also, the option to integrate the CIM and IRP needs to be fleshed out. I remain confused over the concept that detailing CIM personnel to IRP will speed up the CIM process.

I believe we can find an amicable resolution to the duplication. If not, the paper should provide a balanced set of options for us to carry forward. As I consider this to be a joint paper, please do not hesitate to provide corrections/changes to it.

My greatest concern, however, is the manner in which the people detailed to work on CIM perceive the guidance being received from OSD. We must resolve our differences at our level

and provide clear direction to the Functional Groups. These people are key to the Department and deserve the utmost respect. Until we have resolved our differences, I will not be telling the Functional Groups to deviate from their work on the CIM process.

Your continued support of CIM is integral to its success. Together I know we can make it work.

C. Kendall
Cynthia Kendall
Deputy Comptroller (Information
Resources Management)

Attachment



OFFICE OF THE COMPTROLLER OF THE DEPARTMENT OF DEFENSE

WASHINGTON, DC 20301-1100

AUG 27 1990

(Information Resources
Management)

Diane
MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF DEFENSE (LOGISTICS)
OASD, (P&L)

SUBJECT: Plan for Materiel Management Interim Systems
Implementation

Thank you for the opportunity to attend your Materiel Management Board meeting on August 16, 1990. The meeting proved to be extremely productive and I gained a greater appreciation of the complex issues you and your board face.

In response to your request for suggestions on the draft plan for Materiel Management Interim Systems Implementation, I have enclosed some comments for your consideration. We need to continue to work together regarding the use of members from the CIM functional group to support the Materiel Management Board.

I am available to discuss my comments with you if you find it necessary.

Cynthia Kendall
Cynthia Kendall
Deputy Comptroller (Information
Resources Management)

Attachment

Deputy Comptroller (Information
Resources Management)
Comments on Plan for Materiel Management
Interim Systems Implementation

The following comments are recommended changes to the subject plan and associate charter.

Comment 1: Replace ("Best of Breed") with the word "Systems" between interim and initiatives of the first paragraph.

Comment 2: Add "Interim Standard Systems guidelines stated in Defense Comptroller Memorandum of 25 June 1990" between "the" and "CWG" of the last paragraph of page one of the plan.

Comment 3: Add the following decision criteria:

- Systems meet functional requirements.
- Systems are flexible enough to accommodate functionally driven operational changes.
- Systems meet a set of performance standards.
- Systems benefits must exceed cost of transition and operations.
- System is consistent with DoD priorities.
- Systems implementation is technically feasible.

Comment 4: Change the "Director, Materiel Management Corporate Information Management" to "Leader, Materiel Management Corporate Information Management" page 3, line 9 of the Charter.

BACKGROUND:

Significant dates:

October 4, 1989	CIM Initiative established
December 11, 1989	Process Guide developed for use by the first groups
December 11, 1989	Distribution Center Functional Group begins
May 15, 1990	Materiel Management Functional Group begins
May 21, 1990	USD(A) initiates Inventory Reduction Plan

Corporate Information Management

On October 4, 1989, the Deputy Secretary, as part of the Defense Management Report, established a major initiative on Corporate Information Management to make more effective use of DoD's information systems. The Corporate Information Management initiative was established to develop concepts for improved business processes, to increase management efficiencies, and to reduce redundant information systems meeting the same functional requirements.

The Process Guide, required by the October 4, 1989 memorandum was developed for use by the first two Functional Groups established on December 11, 1989. The Distribution Center Functional Group was one of the first two groups established. A leader representing OASD(P&L), knowledgeable in DoD policies was provided. The other members of the group are functional experts from the Services detailed full-time to the group to complete the process and ultimately produce DoD-wide functional requirements for Distribution Centers. The functional requirements may be used to develop system specifications to be used in developing a common system to support Distribution Centers.

The functional group for Materiel Management was similarly established with OASD(P&L) leadership on May 15, 1990.

Inventory Reduction Plan

The Inventory Reduction Plan (IRP) was established by the Under Secretary of Defense (Acquisition) on May 21, 1990 and is consistent with the Defense Management Report. The Inventory Reduction Plan is a ten-point program to reduce current on-hand inventories and future annual materiel budget requirements while preserving weapon system and personnel readiness. The Military Departments and the Defense Logistics Agency are to develop plans to implement the ten-point program. The ASD(P&L) is responsible for oversight of the implementation of the overall Inventory Reduction Plan including tracking of milestones and performance measures.

The IRP is being implemented by five Program Action Teams (PATs), each led by a representative from the DASD(Logistics) with representation from the Military Departments and DLA. This is essentially a full-time effort.

DRAFT
September 21, 1990

ISSUE:

There is duplication between CIM process and the IRP. Two CIM Functional Groups, the Distribution Center and the Materiel Management Groups, are affected. In accordance with the CIM goals and the Process Guide the two groups are reviewing the functional area and developing concepts for improved business processes. This work could result in policy change recommendations that must be approved by the P&L Functional Steering Committee. A major product of Phase II of the CIM process is a functional business plan. The work being conducted by the DASD(Logistics) on the IRP also involves policies, business processes and development of a functional business plan.

Both the DASD(Logistics) and the DC(IRM) agree that Departmental resources should not be devoted to duplicative activities. Furthermore, some resolution to eliminate this duplication is needed.

OPTIONS:

The following are options to eliminate duplication.

- Eliminate IRP.
- Eliminate the two CIM functional groups.
- Eliminate duplicative parts from IRP.
- Eliminate duplicative parts from the CIM process.
- Combine/integrate the IRP and the CIM processes.